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1. The most disagreeable and generally unpopular aspect of the People's Government policies in Iyang hsien is that of land reform. Iyang hsien, as well as the chuan yuan to which it belongs, is an agrarian community and the populace are well aware of the effects of this reform. Farmers who were formerly tenants of the various landlords during the Nationalist Regime have been duly granted parcels of land according to land reform regulations. [REDACTED] and their initial ardor over having land of their own has dissipated completely. Compulsory taxes in kind are keeping them at the starvation level. Under the landlord system it was a common and accepted practice for tenants anticipating a family wedding or anniversary to postpone paying of rent till a later date. Landlords seldom refused a request. In addition, there was always sufficient food, famines excluded. Farmers [REDACTED] in 1951-1952 confided to me that the landlord system was of great merit as compared with their present lot. They would prefer to be tenants for a landlord than hoaxed by land reform.
2. The merchant class of Iyang is slowly being liquidated by taxes and regulations. Merchants receiving shipments of stock must present entire lot at local tax bureau for recording prior to storing in shops. This effectively prohibits dodging taxes. They must also make out three receipts for each sale - one for retention, one for customer, and one for tax bureau. This class of people were never antagonistic towards the Nationalists and look upon that regime with longing.
3. The youth in Iyang hsien have profited from the advent of the People's Government due to opportunities for responsible jobs at an early age. They reacted favorably to the tenets of this regime as the programs developed. By late 1951 their enthusiasm was being tempered by two facts. The first was that they had jobs offered but they could not quit, and thus their new freedom was shown to be hollow. Secondly, the youth, being of school age, were mentally alert. When the contradictions of regime policy became apparent they were quick to discern them and their curiosity raised doubts in their minds. This is an important factor for anti-Communist support which will exist only until such time as the regime settles down to a less vacillating program in its tax levels, job shifting, and often ludicrous internal propaganda.

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4. Most peasants in Iyang hsien have come to realize that taxes and the draft, as carried out during the Nationalist Regime, were not necessarily oppressive and that in order for Chiang Kai-shek to have fought Japan and various war lords such matters were needed. Wars have opened their eyes. The corruption of the Nationalist Regime is not nearly so important to them as it has become to 25X1X Europeans. Corruption, though not appreciated, is a natural phenomenon to the Oriental, particularly the Chinese. Peasants [redacted] that they considered corruption by Nationalist officials as thievery but not oppression.

5. [redacted] dissemination of news was by paper and compulsory meetings. These meetings were mandatory for populace and were conducted by Communist Party members. Illiteracy is high in Iyang hsien and such meetings effectively spread news and reach a broader segment of the population than possible before. By [redacted] people had become bored with the monotony and repetitiousness of these meetings. Also government controlled newspapers, all that were available, had become of little interest to the educated because of dull content. [redacted] on occasion by several people who hoped that [redacted] would have news of Formosa and the outside world. A houseboy, living in the [redacted] compound, was approached when on errands, by merchants who were curious as to outside news. It should be pointed out, however, that the lack of outside news does not mean that the government directed news is not believed in whole or in part. They believe much of it because they have access to nothing else, but they are bored by it. Radios have been confiscated and only Party officials have them. They eagerly seek news also and at local level are mostly opportunists, little different from the people they rule. 25X1X

6. [redacted] leaflets dropped by aircraft are the only practical method for disseminating anti-Communist propaganda to peasants in the interior. Articles dropped such as utensils or arms would be useless as they would give the recipient away to the police. Gossip among peasants is still a habit. Chinese style clothes are a possible form of aid as clothes are short, particularly among farmers. Western style clothes supplied through UNRRA immediately after end of World War II have been hidden for fear of reprisal. ILLEGIB

